Smith Fined $10,000 for Fund Role

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SAN DIEGO, April 24 (UPI) —A federal court judge today imposed a maximum fine of $10,000 on financier C. Arnholt Smith, a long-time friend and financial supporter of former President Nixon, for making illegal corporate campaign contributions.

Visiting U.S. District Court Judge Robert Schnacke of San Francisco dismissed three other charges of violating federal campaign laws against Smith, 76.

A federal jury convicted Smith March 20 of making two unlawful contributions totaling $4,000 through his sovereign State Capital Corp. to the unsuccessful 1970 re-election bid of former U.S. Sen. George Murphy (R-Calif.) both counts were misdemeanors.

But the jury of six men and six women deadlocked on charges against the corporation and two counts against Smith that a total of $6,000 was illegally funneled to Nixon's 1972 presidential campaign.

"The court knows this is far from an isolated instance," Schnacke said of violations of federal campaign laws. "The fact that everybody does it is no excuse, the time has come for everybody to stop doing it."

Smith's attorney, Thomas Sheridan of Los Angeles, obtained a five-day stay on payment of the fine to file a notice of appeal. Sheridan argued that Smith's conviction of using the corporation as an instrument for campaign contributions was tenuous since the jury failed to convict the corporation.

Smith, who sat impassively through the hearing, rose briefly to address the court when Schnacke asked if he wished to comment before sentencing. He replied: "I have nothing to say, your honor."

Still facing the financially plagued Smith are 25 felony counts involving the alleged misapplication of $27.3 million in loans through the U.S. National Bank of San Diego, which he controlled.

Smith, former president and board chairman of the now-defunct bank, and codefendant Philip Toft, former president of Westgate-California Corp., are scheduled to stand trial June 16 on the charges.

In addition, Smith and many of his associates, including Toft, were named Monday in a $1.5 billion suit filed by trustees of the bankrupt Westgate-California. The suit charged they systematically looted the publicly held company's assets for their personal benefit, forcing it into bankruptcy in February, 1973.